



COMMISSIONER
James R. Hine

BOARD MEMBERS

Jerry Kane
Chairman, Corpus Christi
Manson B. Johnson
Vice Chairman, Houston
Abigail Rios Barrera, M.D.
San Antonio
John A. Cuellar
Dallas
Terry Durkin Wilkinson
Midland

June 3, 2004

To: CBA Home and Community Support Services (HCSS) Agencies
CBA/CCAD Assisted Living Residential Care (AL/RC) Agencies
Community Living Assistance and Support Services (CLASS) Agencies
Day Activity and Health Services (DAHS) Agencies
Deaf-Blind with Multiple Disabilities (DB-MD) Agencies
Primary Home Care (PHC) Agencies

Subject: Long Term Care (LTC)
Information Letter 04-24
Rule Change Regarding the Attendant Compensation Rate Enhancement
Spending Requirement

The Health and Human Services Commission (HHSC) adopted a rule change that will reduce the spending requirement for providers participating in the Attendant Compensation Rate Enhancement. The adopted rule is effective April 1, 2004 and can be accessed at the following web link <http://www.sos.state.tx.us/tac/index.shtml>. The adopted rule appears below:

- (1) For the rate year beginning September 1, 2000, the attendant compensation spending per unit of service is multiplied by 1.09 to determine the adjusted attendant compensation per unit of service. For the rate years beginning September 1, 2001, and September 1, 2002, the attendant compensation spending per unit of service is multiplied by 1.07 to determine the adjusted attendant compensation per unit of service. For the rate year beginning September 1, 2003, and thereafter, the attendant compensation spending per unit of service is multiplied by 1.10 to determine the adjusted attendant compensation per unit of service.

This rule was changed because state budget limitations have reduced the reimbursement rates for the Texas Department of Human Services community-based programs by 1.1%. The reduction of the spending requirement will allow participating providers more flexibility in spending across cost areas and will assist providers in covering their non-attendant costs as they adjust to the rate reduction. Therefore, to calculate the spending requirement for the state fiscal year 2004 (September 1, 2003 to August 31, 2004), the attendant compensation accrued spending should be multiplied

by 1.10 and compared to the accrued attendant compensation revenue to determine if the spending requirement has been met.

If you have any questions regarding this rule change, please contact the HHSC Rate Analysis Department at 512-491-1370.

Sincerely,

Signature on file

Marilyn Eaton
Director
Long Term Care Services

ME:cp